

taxation income received by nonprofit, charitable organizations through the exchange/rental or sale of names and addresses from donor or membership lists.

This revision in the tax code is essential to the continued operation of nonprofit organizations such as the Disabled American Veterans (DAV). Chartered by Congress in 1932, the DAV membership consists of veterans who incurred service-related wounds, injuries, or disease as a result of wartime military service. Over 700,000 veterans have joined the Disabled American Veterans, which provides many benefits and services to its membership and the veteran community at large. For example, the DAV represents veterans, their dependents and survivors before the Veterans' Administration in determining compensation, pension, hospitalization and other benefits that they are entitled to. These helpful services are paid for with contributions and funds raised by the DAV.

Mr. President, my legislation insures that the DAV and other nonprofit organizations can continue to solicit tax-deductible contributions from their donor lists. The DAV maintains a list of approximately 6 million names. Donor list attrition, as a result of factors such as death or change of address, translate to a loss of approximately 700,000 names a year from the mailing list. In order to replace these names, the DAV rents and exchanges its list with other group organizations, including both public, commercial, and private exempt organizations.

Under current law, income earned by an exempt organization from a trade or business that is carried on regularly and is not substantially related to the activities constituting the basis for the organization's tax exemption, is considered unrelated business income and is subject to Federal taxation. The Court of Claims and the Internal Revenue Service recently ruled that the DAV's income from donor list rental was unrelated business income and, therefore, subject to taxation. Since the DAV's sole revenue raising function is from the donor list, I believe that this activity is substantially related to the nonprofit charter and function of the DAV and should be tax-exempt. My bill amends section 513 of the Internal Revenue Code to state clearly that income derived from this activity will be tax-exempt for nonprofit organizations.

Our war veterans have paid a high price for the freedoms and opportunities that we enjoy in America. Organizations like the Disabled American Veterans provide important services for those persons who have made personal sacrifices and suffered personal losses in the defense of our country. My amendment assures that the DAV and other organizations maintain

their strong link with the millions of citizens they serve. In addition, this legislation reflects the type of contribution that the Congress can make to the private sector, which is accepting more and more of the responsibility for providing our national needs.

Mr. President, I urge the Senate to act on this legislation quickly and favorably. And, I ask unanimous consent that a copy of the bill be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 513 of the Internal Revenue Code of 1954 (relating to unrelated trade or business) is amended by adding at the end thereof the following new subsection:

"(h) EXCHANGES, RENTALS, AND SALES OF NAMES FROM DONOR LISTS OR MEMBERSHIP LISTS.—The term 'unrelated trade or business' does not include, with respect to an organization subject to the tax imposed by section 511, any trade or business of such organization which consists of exchanging, renting, or selling names and addresses of donors to, or members of, such organizations."

(b) The amendment made by subsection (a) shall apply to taxable years ending after the date of the enactment of this Act.●

By Mr. DOLE:

S. 2948. A bill to promote the development of nonanimal methods of research, experimentation, and testing, and to assure humane care of animals used in scientific research, experimentation, and testing; to the Committee on Labor and Human Resources.

HUMAN CARE AND DEVELOPMENT OF SUBSTITUTES FOR ANIMALS IN RESEARCH ACT

● Mr. DOLE. Mr. President, today I am introducing a bill to promote nonanimal or alternative methods of research and to insure the humane treatment of animals used in scientific research.

I would state at the outset that this legislation in no way affects animals used for food production. It is important to those of us who are concerned with food production that steps are taken to distinguish between the type of legislation addressing truly humane issues versus the types of legislation that more radical factions would propose which, however well intentioned, would ultimately cause the disruption of our production marketing system.

Interest in this subject has built over the past decade and several resolutions and bills have been introduced seeking to promote the development of methods of research that would not use animals or would use fewer animals and cause reduction of pain and suffering.

A similar bill, H.R. 6928, has been introduced on the House side after hearings in the Subcommittee on Science, Research and Technology. After con-

tinuing discussions and revisions of drafted proposals with members of the animal welfare and scientific communities, this legislation resulted.

Specifically, this bill places emphasis on the development of methods of research and testing that do not require live animals, or would reduce the number of animals used and reduce pain. The Secretary of Health and Human Services is authorized to make awards for such alternative methods. An advisory panel appointed by the Secretary will insure consideration is given to such alternative programs and advise him of his responsibilities in this area. I have specified in the Senate version of this legislation that the scientific advisory panel would, after 3 years, report to the Secretary of Health and Human Services on the impact of this act on industry costs, research, product prices and progress made in lab accreditation. It is intended this study will not require additional Federal outlays. The Secretary will direct the national toxicology program to significantly increase its resources for research and development on new methods and validation of nonanimal research testing.

This bill would insure humane treatment of lab animals by requiring federally funded research entities to be accredited by a private agency designated by the Secretary. Research entities will have 10 years to become fully accredited and in the interim they can receive provisional accreditation if they have demonstrated progress toward the 10-year goal. Each research entity would maintain an animal care committee including a veterinarian and a nonmember of the entity to review ongoing research programs and proposed programs. The committee would make semiannual inspections of the facilities and issue their report to the appropriate Federal agency.

The bill establishes certain procedures that peer reviewers must look for in research proposals involving the direct use of conscious animals. As I mentioned earlier, the legislation would exempt animals used for agriculture production and is not opposed by the National Cattlemen's Association or the National Pork Producer's Association. The legislation will sunset after 10 years unless reacted.

I believe this bill will achieve a balanced and fair compromise of a problem which has received increased attention over the last few years. It will provide no new budget authority or tax expenditures yet it will allow laboratory techniques to keep pace with advancing technology.

Mr. President, I ask unanimous consent that a summary of the bill be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF HUMANE CARE AND DEVELOPMENT OF SUBSTITUTES IN RESEARCH ACT

TITLE I

The Secretary of Health and Human Services (HHS) is authorized to make awards to sponsor research into methods that 1) do not use live animals, 2) reduces the number of animals used or produces less pain.

An advisory panel will ensure every consideration will be given to such programs for funding and they will advise the Secretary of his responsibilities in this area. The panel will report to the Secretary after 3 years the impact of this legislation on industry costs, research, product prices and progress made in lab accreditation.

The Secretary will direct the National Toxicology Program to significantly increase its resources for R&D on new methods and validation of nonanimal research testing.

TITLE II

To receive federal funding, a research entity must be accredited by a private agency designated by the Secretary. 10 years will be allowed for full accreditation to allow for structural changes and updating facilities. Provisional accreditation will be given to entities demonstrating progress towards the 10 year goal.

Research entities must maintain an animal studies committee which includes a veterinarian and a non member of the entity. The committee will make semiannual inspections of the facilities to review research.

TITLE III

Establishes certain procedures that peer reviewers must look for in research proposals involving the direct use of conscious animals. For example: proper use of drugs; no animal will be used in more than one major operation.

TITLE IV

Exempts animals used for food production.

TITLE V

Sunsets after 10 years unless reenacted.●

By Mrs. HAWKINS:

S. 2950. A bill to require a study on the safety and effectiveness of the pertussis vaccine; to the Committee on Labor and Human Resources.

PERTUSSIS AND PERTUSSIS VACCINES STUDY ACT OF 1982

● Mrs. HAWKINS. Mr. President, this Nation's childhood immunization program is a proven safeguard against pain, suffering, and death. Thanks to strong Federal involvement in immunization programs, this country has seen a dramatic decline in severe preventable childhood diseases: Polio, measles, rubella, diphtheria, tetanus, pertussis, and mumps. Don't forget, though, that in 1952 a poliomyelitis outbreak struck 58,000 Americans, causing 14,000 deaths and leaving thousands of others confined to wheelchairs and in braces for life. Today, because of the antipolio vaccine, this crippling disease has been all but wiped out in the United States.

Earlier this year, when the immunization program was threatened by reduced funding, my Subcommittee on Investigations and General Oversight

immediately took action. I became alarmed to hear that lower budget levels would result in 33 percent fewer children being immunized against the seven deadly diseases. It is unconscionable for us to endanger our children, and ourselves, to another explosive epidemic. Fortunately, because of the public attention that the subject received, the funding levels will be restored.

Unfortunately, I learned that aside from issues of funding and public disinterest, the childhood immunization program is threatened by a more potent enemy: fear. The public fears that immunization will prove an even greater threat to children than the disease. This is particularly true of the pertussis component of the diphtheria pertussis tetanus vaccine. DPT is sometimes accompanied by encephalopathy and subsequent permanent neurologic damage. Death has also followed pertussis vaccination. The problem is that no one seems to be able to answer, definitively, how often adverse reactions occur or whether we are experiencing a true cause-effect situation.

It would indeed be tragic if effort to eliminate or control whooping cough in this country we are hampered because people acting out of fear and ignorance see fit to oppose the pertussis vaccine. For this reason, I am introducing legislation that would give the immunization program a shot in the arm. My legislation would reduce the risk of adverse reactions from the pertussis vaccine. It promotes the development and use of the safest, most effective pertussis vaccine possible. My legislation also promotes more careful monitoring, more thorough reporting, and better recordkeeping of adverse reactions. The legislation would require an in-depth study of problematic questions about the pertussis vaccine. Relevant Government agencies would study the issues and make recommendations for administration and legislative changes to Congress.

Let us do all we can to prevent the revival of a serious childhood epidemic. Public policy dictates that an effective and safe pertussis vaccine program be implemented—to save money, and our children's health.●

By Mr. THURMOND:

S. 2952. A bill to provide that disability benefits under title II of the Social Security Act shall continue to be paid through the end of the administrative appeals process; to the Committee on Finance.

PAYMENT OF DISABILITY BENEFITS UNDER CERTAIN CIRCUMSTANCES

Mr. THURMOND. Mr. President, I am introducing legislation today to protect disabled social security recipients from having their benefits discontinued prematurely during periodic eligibility reviews by the Social Security Administration.

For the benefit of my colleagues who may not have had an opportunity to focus on this problem, let me briefly outline the background and need for this legislation. In response to the congressional directive contained in the 1980 social security amendments, the Social Security Administration has instituted a practice of reviewing each disability case at least once every 3 years. Implementation of these continuing disability reviews as required by Congress has led to a dramatic increase in the number of recipients whose payments are abruptly and erroneously terminated, only to eventually be reinstated on appeal when the cases come before an administrative law judge. This appeal process can take months, however, and in the meantime the disabled persons may be without any source of income, resulting in extreme hardships for the affected individuals and their families.

Mr. President, I want to make it clear that I have no quarrel with the concept of periodic disability case reviews. Indeed, I strongly support the need for such continuing reviews in order to prevent abuses of the social security disability system, to protect its solvency, and to ensure that only those truly deserving and qualified for disability payments continue to receive them. At the same time, however, the review procedure must be fair and just. It should be conducted very carefully and thoroughly, with compassion and understanding for the persons most directly impacted by the review process—the recipients of these disability payments and their dependent family members. Unfortunately, in too many instances that have come to my attention seeking my assistance, the elements of carefulness, fairness, and compassion seem to have been lacking.

Regardless of whether this is due to insufficient personnel to handle the workload, carelessness or insensitivity on the part of some agency employees, or flaws inherent in the operation of the disability program, the Social Security Administration and Congress have a responsibility to take every reasonable and appropriate action to correct these problems. My bill is an effort in that direction.

Mr. President, this legislation is not intended to cure all of the problems associated with the social security disability program, which is in need of comprehensive congressional review and reform. Rather, it is offered as a short-term measure to insure that program recipients are protected from unnecessary hardship pending a thorough examination of the entire disability program by Congress.

During my personal contacts and correspondence with the citizens of my State and others across the Nation, I have become greatly con-

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